

Tschach Solutions

Tschach Solutions GmbH · Bachstr. 43 · 76185 Karlsruhe

Clerk of the Board
Air Resources Board
1001 I Street
Sacramento, CA 95814

Tschach Solutions GmbH
Bachstr. 43 · 76185 Karlsruhe
Tel.: +49 (0) 721 16 08 963 0
Fax: +49 (0) 721 16 08 963 9
info@tschach-solutions.com
www.tschach-solutions.com

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Second 15-Day Comment Period on Proposed Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation

Dear Sir or Madam,

In the name of TschachSolutions GmbH, Germany, I am submitting a comment on the Second 15-Day Package of the "California Cap on Greenhouse Gas Emissions and Market-Based Compliance Regulation".

TschachSolutions aims to provide superior market intelligence for the carbon market. We develop computer-based models and tools, but also provide tailor-made analysis to our customers. Our main focus is on forecasting market prices, price risks, assessment of CDM-statistics and the effects of political and regulatory developments. Based on our extensive experience within the EU-ETS, we are recently following the development of the Californian Cap-and-Trade system closely.

Our comment refers to an in our view ambiguous wording concerning the **surrender of compliance instruments**. § 95856(b)(2) of the regulation states, that:

"To fulfill any compliance obligation, a compliance instrument must be issued from an allowance budget year within or before the year during for which an annual the compliance obligation is calculated, or the last year of a compliance period for which a triennial compliance obligation is calculated, (...)"

We think that the wording does not clearly say which allowances can be used for the triennial compliance obligation. The paragraph should be altered so that it becomes obvious if allowances only from the corresponding vintage year or allowances from the corresponding compliance period can be surrendered.

We appreciate you considering this issue. Should you have any more questions, please contact us.

Yours Sincerely,



Annika Muenkel